

DOING BUSINESS IN SALEM, VIRGINIA

A STEP BY STEP GUIDE



SALEM  VA

WWW.SALEMVA.GOV

Welcome to the City of Salem:

Thanks for your interest in doing business in the City of Salem because new business means new jobs and greater opportunities to generate wealth in our city.

We certainly value the investment you're making and are looking forward to providing you assistance as you strive to launch and grow your business. ***Our Step by Step Guide to Doing Business in Salem*** has been designed to help navigate you through the processes required to get up and going as it relates to local and state requirements.

Our primary objective is to smooth the procedures for obtaining licensing needed to enable you to open your doors for business and to inform you of available business opportunities.

This guide will serve to acquaint you with City departments and regulations and what is expected of you from the various departments within City Hall that participate in the business licensing and the approval process.

If you have any questions about any of our regulations or other commercial requirements, start by contacting the Department of Planning and Economic Development at (540) 375-3007. Staff will walk you through the City business development process.

You have certainly made a good choice by coming to Salem. Our goal is that your business will be successful here. Please know that my door is always open.

Sincerely,

A handwritten signature in black ink, appearing to read 'KB', followed by a long horizontal line.

Kevin Boggess
City Manager

City of Salem Offices

City Hall

114 North Broad Street

Ground Floor

Commissioner of the Revenue

STEP TWO:

- Business license
- Taxes

Utility Collections

STEP THREE:

- Sign up for utility services
- Pay utility bill

Treasurer's Office

- Pay for business license
- Pay personal property tax
- Pay real estate tax

2nd Floor

City Manager's Office/Zoning

STEP ONE:

- Zoning Verification (for business license application)
- Home Occupations

Planning & Economic Development

- Special Exception Permits
- Rezoning
- Economic Development

Salem Courthouse

2 East Calhoun Street

Clerk of Circuit Court

- Research and register business trade names

Engineering and Building Inspections

25 East Main Street

STEP FOUR:

- Sign Permits
- Property Maintenance Inspections
- Building Permits
- Certificates of Occupancy

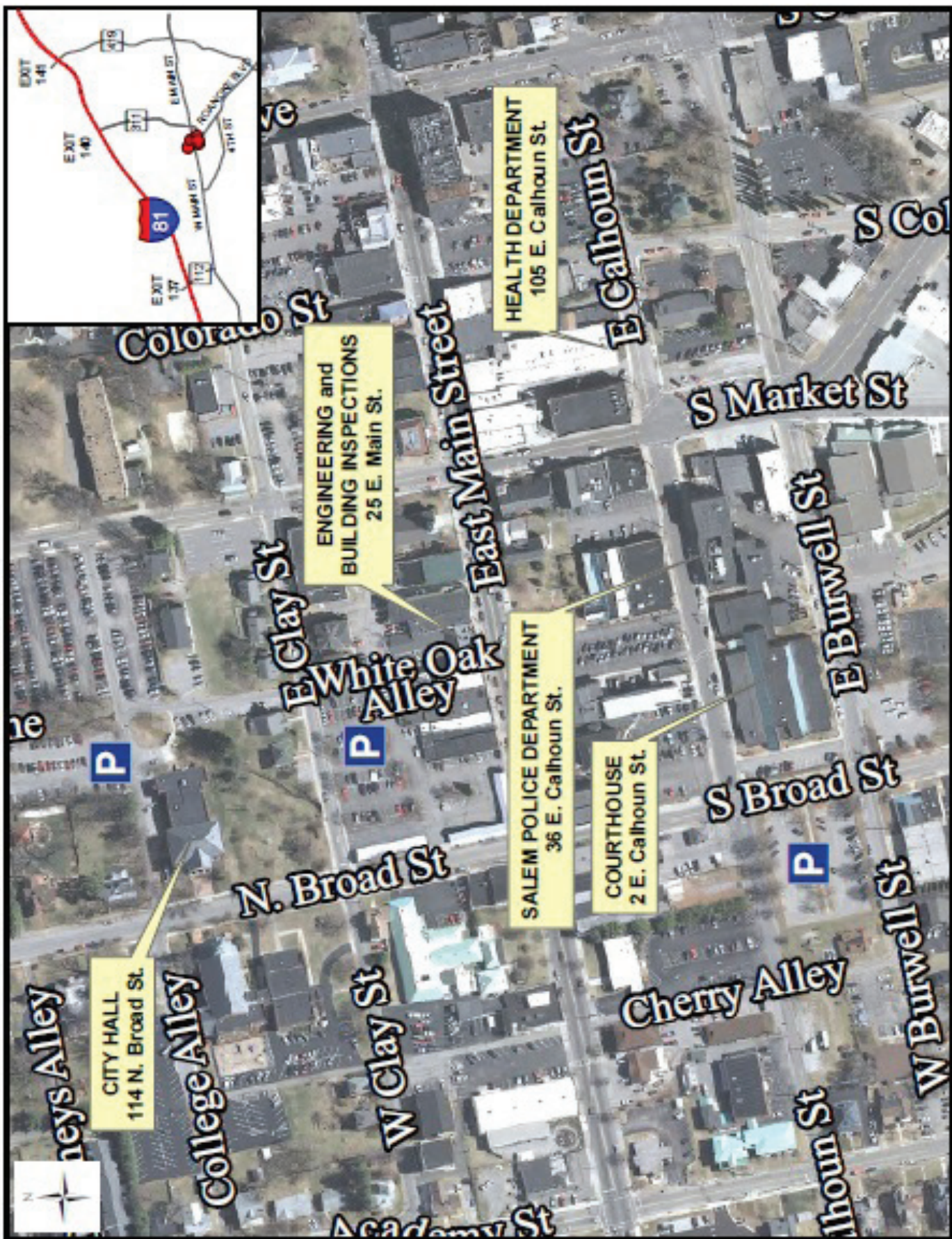
Police

36 East Calhoun Street

- Security Survey/Inspection

Roanoke County/Salem Health Department

105 East Calhoun Street



CITY HALL
114 N. Broad St.

ENGINEERING and
BUILDING INSPECTIONS
25 E. Main St.

HEALTH DEPARTMENT
105 E. Calhoun St.

SALEM POLICE DEPARTMENT
36 E. Calhoun St.

COURTHOUSE
2 E. Calhoun St.

CITY OF SALEM

NEW BUSINESS CHECKLIST

Please use the checklist below to insure you have completed all steps necessary in order to obtain your business license. Feel free to contact our office with questions you may have regarding if a requirement may pertain to your specific business.

- Register DBA/Trade name with the City of Salem Clerk of Court* (540)375-3067 or www.courts.state.va.us/courts/circuit/Salem/home.html
- Have zoning or home occupation permit issued by the Salem City Manager's Office* (540)375-3016 or www.salemva.gov
- Provide documentation from the State Corporation Commission if Incorporating (866)722-2551 or www.scc.virginia.gov
- Provide proof of residency (i.e. driver's license, social security card, US passport, etc.)
- Provide Health Department documentation if serving food (540)857-7800 or www.vdh.state.va.us
- Provide approved seats information from Alcoholic Beverage Commission if serving alcohol (540)562-3535 or www.abc.state.va.us
- Register for meals and lodging tax with the City of Salem Commissioner's Office (540)375-3019 or www.salemva.gov
- Register with the Virginia Department of Taxation (804)367-8037 or www.tax.virginia.gov (sales and use tax, withholding tax, etc.)
- Apply for Federal ID number and register for federal taxes, including federal unemployment, with the IRS (800)552-7945 or www.irs.gov
- Register for Admissions Tax or Short Term Rental with the City of Salem Commissioner's Office (540)375-3019 or www.salemva.gov
- Register for Worker's Compensation Insurance with the Worker's Compensation Commission (877)664-2566 or www.vwc.state.va.us
- Receive approval from the Department of Social Services for adult care services or child care for more than 5 children (540)853-2591 or www.dss.state.va.us
- Provide certificate of state licensure for all occupations required to do so by the Virginia Department of Professional & Occupational Regulation (i.e. contractors, beauticians, cosmetologists, etc.) or any other State Agency. For complete list visit www.vdba.virginia.gov
- Register with Virginia Employment Commission for Virginia Unemployment Tax (540)204-9660 or www.vaemploy.com
- Attach complete listing of all equipment used in the business with purchase year and price. Provide separate listing of all equipment leased to the business with name and address of the Lessor.

* Must provide signature on license sign off sheet or copy of paid receipt

Determining City Regulations

The City has certain requirements for all new businesses opening within its limits. You may call the numbers listed below or visit City Hall, 114 North Broad Street, just a block north of the Salem Farmers Market. Our business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

STEP ONE

Zoning Requirements

Consult the City Manager's Office to verify that your proposed business meets the use, area and parking requirements for the zoning district in which your establishment is located. You may check zoning by going to the City of Salem's website and conducting a property search through use of our Geographic Information System (GIS). You may access the GIS system by use of the following link: <http://salem.gisbrowser.com/viewer.htm?Title=City%20of%20Salem%20-%20Real%20Estate>. If you require additional help, you may contact the Zoning Department by calling (540) 375-3017. The Zoning Department is located on the second floor of City Hall. To receive information about rezoning, subdivision or special use permits, contact the Department of Planning and Economic Development, also located on the second floor of City Hall. The phone number is (540) 375-3007. Application forms and informational materials are available and staff will be happy to assist you with your proposed business. The City of Salem does not own any buildings that can be leased to private businesses, nor can staff participate in lease negotiations for businesses. However, the Department of Economic Development keeps a comprehensive list of major buildings for lease or purchase within the city. The City of Salem also owns some land that is for sale to private businesses. Visit the Planning and Development's website (<http://www.salemva.gov/depts/planning/index.html>) for additional information.

STEP TWO

Business License

The City of Salem requires a business license for all individuals and business entities which receive monetary compensation for goods sold or services rendered within the city limits, including individuals who work from their home or are self-employed. License fees are based on the total gross receipts of the business for the previous year (or total purchases for a wholesale business) and are taxed at varying tax rates depending on the nature of the business. New businesses will use estimated gross receipts for their first year in operation. Licenses must be obtained within 30 days of beginning operation within the City and are renewed annually by March 1st. Applications are available in the Commissioner of the Revenue's office located on the ground floor of City Hall or online at http://www.salemva.gov/depts/commrev/bus_license.html.

STEP THREE

Utilities and Trash Collection

New business owners must open electric accounts through the Utility Collections Department on the ground floor of City Hall. The amount of deposit to open the account is determined by the nature of the business. Electricity is billed monthly.

Sewer and water accounts also are set up through Utility Collections

Trash collection is established through Utility Collections. The City of Salem offers dumpster service. Check with the Streets and General Maintenance Department for additional information related to dumpster service. That number is **(540) 375-3039**.

STEP FOUR

Building, Occupancy and Sign Permits/Fire Licenses

In addition to zoning requirements, the Building Officials Office can help you to determine if your new business requires a building permit. A permit may be needed if your location involves new construction, alterations or additions. A permit is required when repairs or additions are made that impact the plumbing service, mechanical system and structural portions of the building; and when changes are made to means of egress or the footprint of the building.

The Building Officials office also is responsible for Code Enforcement. Signs are regulated by the City of Salem sign ordinance and building code. You can find out more about the construction of signs at the following website:

http://library.municode.com/HTML/11522/level2/PTIICO_CH66SI.html

Application forms are available for required permits and licenses in the Building Officials Office, 25 East Main Street. For more information, call **(540) 375-3036** or visit their website <http://www.salemva.gov/depts/building/index.html>.

Police

The Police Department, through the Crime Prevention section, provides a building security survey/inspection tailored to fit the needs of your business. An officer can visit the premises to conduct an on-site inspection and give suggestions for crime prevention measures such as proper security locks, as well as crime prevention tips for burglary, robbery, graffiti, and vandalism. For further details, visit the Police Department's website (<http://www.salempdva.com/>) or call **(540) 375-3010** to schedule an appointment.

ADDITIONAL INFORMATION

FOR AN EMPLOYER IDENTIFICATION NUMBER (EIN):

Call or visit your local IRS office to get an IRS **Employer Identification Number (EIN)**. The IRS, Social Security Administration, and the Virginia Employment Commission, use an EIN to identify businesses on all returns, statements, and other documents. Applying for an EIN should be one of your first steps to starting a business. You must file form SS-4 which may be obtained from your local IRS Office (no cost involved). The Office also has other forms with instructions that are required for a new business. A sole proprietor with no employees may use his/her social security number for filing tax returns. The Federal EIN is also used as your Virginia EIN for state withholding. You must apply for a separate employer ID number for State Unemployment Insurance Tax payments. The IRS conducts seminars and issues publications describing the forms necessary to start a business.

There are two methods to obtain an EIN immediately. First, and the preferred method of the IRS, is the Internet EIN. This can be obtained online any day of the week (various hours, check the website for availability). The second method is over the phone at the I.R.S. Business & Specialty Tax Line: (800) 829-4933 weekdays during the hours of 7:00 a.m. to 10:00 p.m. local time. Alternately, it can be obtained by fax, which will take up to 4 business days; or obtained by mail, which will take up to 4 weeks.

After you have received your EIN from the IRS, contact the Virginia Department to register your business at:

**Department of Taxation
Registration Unit
Post Office Box 1114
Richmond, Virginia 23218-1114
(804) 367-8037**

Visit the website for more information:

<http://www.tax.virginia.gov/site.cfm?alias=RegBus>

Registration of a Fictitious or Assumed Trade Name

The Commonwealth of Virginia requires that a fictitious or assumed trade name certificate be filed with the appropriate Circuit Court(s) if a business is being conducted under a name other than the owner's legal name. It is your responsibility for determining whether there is an existing business or organization using the same name. In order to make that determination you begin in the Salem Circuit Court's office located at 2 East Calhoun Street. The phone number is (540) 375-3067. The clerk will show you how to research the name. After you have determined the name of your business, a \$10 fee is required to register the name. The clerk's office accepts cash or check only.

If the business will have **Employees:**

(a) **Unemployment Insurance.** Not all employing units in Virginia are subject to the taxing provisions of the unemployment compensation law. Coverage (tax liability) is determined by the number of workers employed, the duration and nature of services performed, and the amount of wages paid for services in employment. Once the liability conditions are met for your type of employment, you are required to report the total payroll for the entire year, by quarter, and pay the appropriate amount of taxes. Most employers are liable if you have one or more employees who work for any portion of a day in twenty different weeks in a calendar year, or if your total gross payroll for any calendar quarter is \$1,500 or more.

For detailed information regarding the Unemployment Insurance Program, contact:

Virginia Employment Commission

Workforce Center

1351 Hershberger Road

Roanoke, VA 24014

Tel: (540) 204-2660

<http://www.vec.virginia.gov/employers/tax-registration>

(b) **Workers' Compensation.** All employers are subject to the Virginia Workers' Compensation Law, which protects employers from employee liability for work-related injury and disease. This law provides prompt and reasonable income and medical benefits to work-related accident victims or their dependents. Any authorized independent insurance agent can provide the coverage. For additional information contact:

Virginia Workers' Compensation Commission

1000 DMV Drive

Richmond, VA 23220

Phone:

For general questions, please contact the Customer Contact Center toll free at 1-877-664-2566 from 8:30am - 4:45pm

<http://www.vwc.state.va.us/portal/vwc-website>

(c) **State Withholding Taxes.** Every employer is required to register with the Virginia Department of Taxation. Employers will use the EIN or social security number for identification.

Direct any questions to:

Virginia Department of Taxation

1957 Westmoreland Street

Richmond, VA 23230

Office of Customer Services

Post Office Box 1115

Richmond, VA 23218-1115

Service Hours: Monday-Friday, 8:30 a.m.-4:30 p.m.

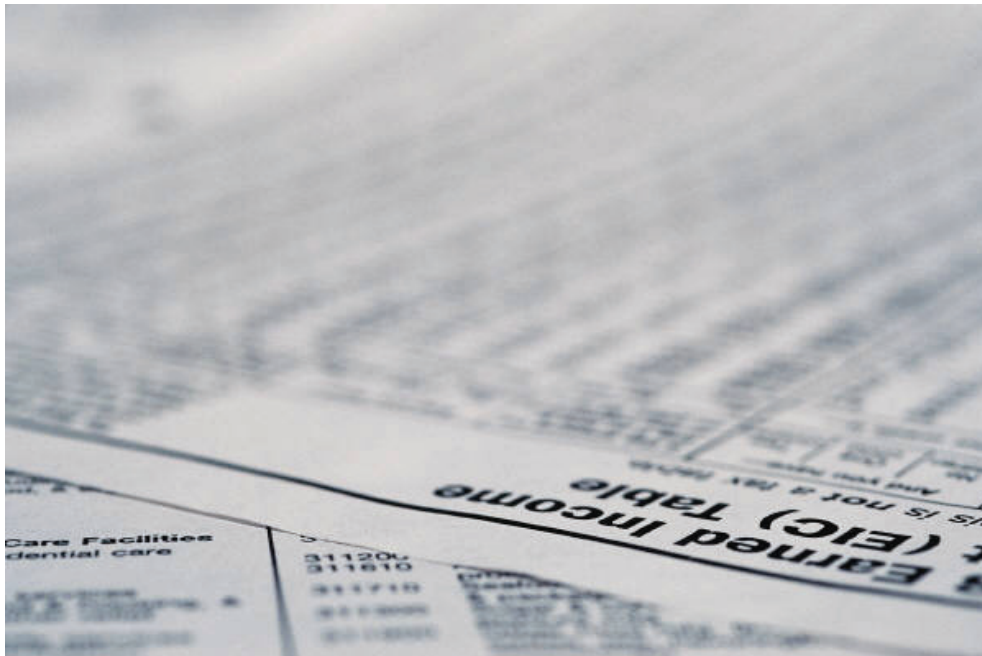
<http://www.tax.virginia.gov/>

Tel: (804) 367-8037

Developing and Expanding your Business Skills

There are several organizations in Salem that have been established to help new businesses get off the ground or even available to provide assistance to businesses that are looking to expand. They include the City of Salem's Department of Economic Development, 114 North Broad Street; Salem/Roanoke County Chamber of Commerce located at 611 East Main Street in Longwood Park; and the Salem Merchants Association. They can provide information and assistance covering every aspect of business expertise. Do not hesitate to take advantage of these opportunities!

FORMS





CITY OF SALEM, VIRGINIA

New Business Owner:

The Commissioner of the Revenue's Office would like to take this opportunity to assist you in getting a good start in Salem. Below is a guideline on how to initiate the licensing procedure for the City of Salem:

- ❖ Register Business DBA/ Trade name with the Clerk of Circuit Court. Located at 2 E Calhoun Street, phone number 375-3067.
- ❖ Check with the Salem City Manager's Office to ensure zoning is correct. Located at 114 North Broad Street, phone number 375-3016.
- ❖ Any in home business must apply through the Salem City Manager's Office to obtain a Home Occupation Permit prior to applying for license. Located at 114 North Broad Street, phone number 375-3016.
- ❖ Obtain any State Required Licensure or Inspections and provide documentation required by the Commonwealth of Virginia.*
- ❖ Follow the attached check list to ensure you have completed all steps necessary to obtain licensure.

Our office hours are 8:00 am to 5:00 pm, Monday through Friday. If we can be of any further assistance please feel free to come by or contact our Business License Inspector, Sidney Kuzmich, by email skuzmich@salemva.gov or by telephone at (540) 375-3019.

* According to the Commonwealth of Virginia Attorney General, in compliance with the Immigration Act and Code of Virginia 40.1-11.1, applicants wishing to obtain a business license in Virginia must provide documentation that is approved by Federal Law to establish residency. This documentation includes, but is not limited to, driver's license, social security card, US passport, resident alien cards, alien registration cards, and state corporation documents.

NEW BUSINESS ASSET LISTING

Code of Virginia 58.1-3518 requires all business owners to file a complete listing of all assets used in the business. If you have a program for your assets that includes the needed information, please feel free to use it as a substitute. This information will be required to be filed and updated each year so please keep a complete, updated list for your records. **Do Not include leased equipment in this listing.**

Business Name: _____

Social Security or Federal ID Number: _____

OFFICE EQUIPMENT

(computers, calculators, phones, printers, faxes, cash registers, etc.)

| Equipment Type | Year of Purchase | Purchase Price |
|----------------|------------------|----------------|
| | | |
| | | |
| | | |

TOOLS

(power tools, shop tools, ladders, etc.)

| Equipment Type | Year of Purchase | Purchase Price |
|----------------|------------------|----------------|
| | | |
| | | |
| | | |

FURNITURE

(desks, counters, chairs, filing cabinets, televisions, fixtures, etc.)

| Equipment Type | Year of Purchase | Purchase Price |
|----------------|------------------|----------------|
| | | |
| | | |
| | | |

SIGNAGE

| Type | Year of Purchase | Purchase Price |
|------|------------------|----------------|
| | | |
| | | |
| | | |

PLEASE PROVIDE COMPLETE INFORMATION FOR ALL LEASED EQUIPMENT, INCLUDING LESSOR NAME & ADDRESS, BELOW:

SIGNATURE _____ **DATE** _____

SAMPLE BUSINESS ASSET LISTING

Your Assets will be unique to your business. Please provide information on **ALL** equipment used or located in your business as is required by State of Virginia Code Section 58.1-3518.

| <u>YEAR PURCHASED</u> | <u>DESCRIPTION OF ITEM</u> | <u>COST</u> |
|-----------------------|----------------------------|-----------------|
| 2009 | Laptop Computer | \$1,000 |
| | Fax Machine | \$150 |
| | Copier/Scanner | \$249 |
| | Filing Cabinets (4) | \$200 |
| | Printer | \$100 |
| | Outdoor Signs (2) | \$4,000 |
| | Desk \$175 | |
| | Chair \$75 | |
| | Magazine Racks (2) | \$54 |
| | Lobby Chairs (10) | \$200 |
| | Coffee Maker | \$59 |
| | Microwave | \$110 |
| | Counter | \$525 |
| | Telephone System | \$1,421 |
| | Telephone Installation | \$378 |
| | | ----- |
| | SUBTOTAL | \$8,696 |
| 2010 | Showcases (3) | \$525 |
| | Desktop Computer | \$1,200 |
| | Misc. Shop Tools | \$5,500 |
| | Compressor | \$419 |
| | Installation of Compressor | \$169 |
| | Electric Lifts | \$3,000 |
| | Installation of Lifts | \$299 |
| | Forklifts (2) | \$12,000 |
| | Ladder | \$65 |
| | Power Drills (3) | \$799 |
| | Reciprocating Saw | \$1139 |
| | Saw Table | \$678 |
| | | ----- |
| | SUBTOTAL | \$20,793 |
| 2011 | 42" LCD TV \$2260 | |
| | DVD Player & Speakers | \$524 |
| | | ----- |
| | SUBTOTAL | \$2,784 |
| | TOTAL ASSETS | \$32,273 |

City of Salem, VA
New Business Information Request

Trade Name of Business: _____

Sole Proprietor: _____ **Partnership:** _____ **LLC** _____ **Incorporated:** _____

Sole Proprietor's Name: _____

Social Security Number: _____

Corporation Name: _____

Corporation Registered Agent Name: _____

Federal ID Number: _____

State License Number: _____ **VA Sales & Use Number:** _____

Are you Selling: Beer & Wine on __ **off** __ **Tobacco** __ **Alcohol Seats Approved** _____

Name and Social Security Numbers of all owners or Officers: _____

Individuals Authorized to Access Account Information: _____

Physical Address of Business: _____

Mailing Address of Business: _____

Local Phone Number(s) of Business: _____

Corporate Phone Number: _____ **Fax Number:** _____

Email: _____ **Web Site:** _____

Detail Description of Type of Business: _____

Businesses' First Day of Operation in Salem City: _____

****If Relocating to Salem Previous Locality:** _____

Estimated Gross Receipts through December 31st: _____

Signature: _____ **Date:** _____



NEW BUSINESS

Name of Business: _____

Business Address: _____

Type of Business: _____

BUSINESS DBA/TRADE NAME: Code of VA. 59.1-69. All business names must be registered with the Clerk of the Circuit Court at 2 E. Calhoun Street PRIOR to a license being issued. 540-375-3067.

Approved: _____
Clerk of Circuit Court

Date: _____

HOME OCCUPATIONS: A Business from a residential location must have a Home Occupation Permit from the Salem City Manager's Office. 540-375-3016.

Approved: _____
Zoning Administrator or Representative

Date: _____

ZONING: The zone in which a business is operated must be approved by the Salem City Manager's Office before a license can be issued. 540-375-3016.

Approved: _____
Zoning Administrator or Representative

Date: _____

*****FOR INFORMATION REGARDING TEMPORARY OR PERMANENT SIGN PERMITS, PLEASE CONTACT THE SALEM CITY DEPARTMENT OF ENGINEERING AND INSPECTIONS at 540-375-3036. *****